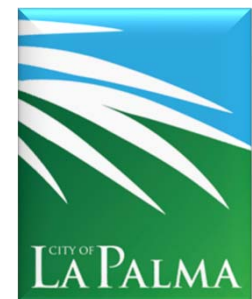
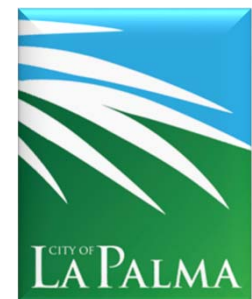
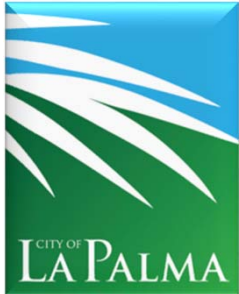

Fiscal Year 2017-18 Draft Budget & Long Term Fiscal Status

CITY COUNCIL
APRIL 18, 2017



Draft Fiscal Year 2017-18 Budget





FY 2017-18 General Fund Budget

Draft General Fund Budget

Projected Revenues

\$ 11,508,300

Proposed Expenditures

(10,175,400)

Transfers Out

(500,000)

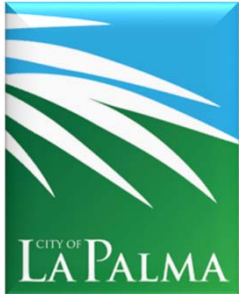
FY 2017-18 Surplus/(Deficit)

\$832,900



FY 2017-18 General Fund Expenditures

- **\$274,425 increase in Department Budgets from FY 2016-17**
- **\$185,000 due to increase unfunded pension obligation payments to CalPERS**
- **\$188,200 various One-Time Costs**
- **Savings from lower personnel cost and use of Special Revenue Funds for One-time Costs**



FY 2017-18 General Fund Expenditures

- **Transfer Out - \$500,000**
 - **Capital Outlay Reserve (COR) - \$450,000**
 - **Civic Center Replacement Fund - \$50,000**
- **Road Repair and Accountability Act of 2017**
 - **La Palma estimated to receive \$3.67 million over 10-years**



Proposed Personnel Updates

Community Services

- **Recreation Supervisor → Management Analyst**
- **Senior Office Assistant → Recreation Coordinator**
- **Additional Senior Recreation Leader**

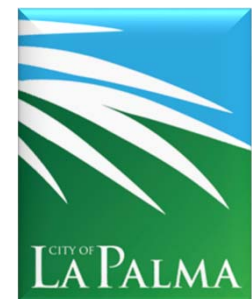
Community Development

- **Associate Planner → Planning Manager**

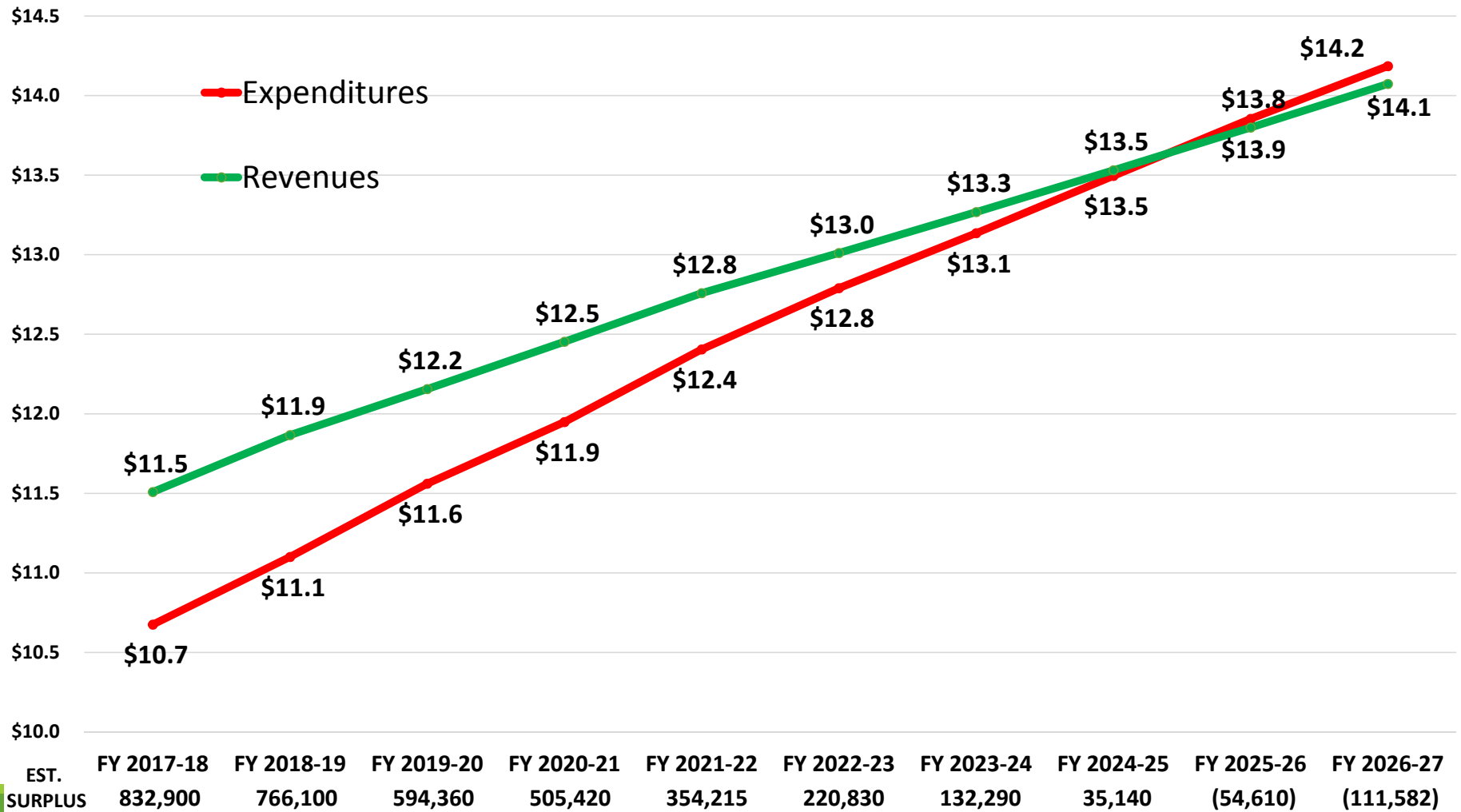
General Government

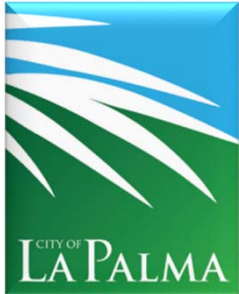
- **Management Analyst → Assistant to the City Manager**

LONG TERM FORECAST



10 Year General Fund Financial Forecast

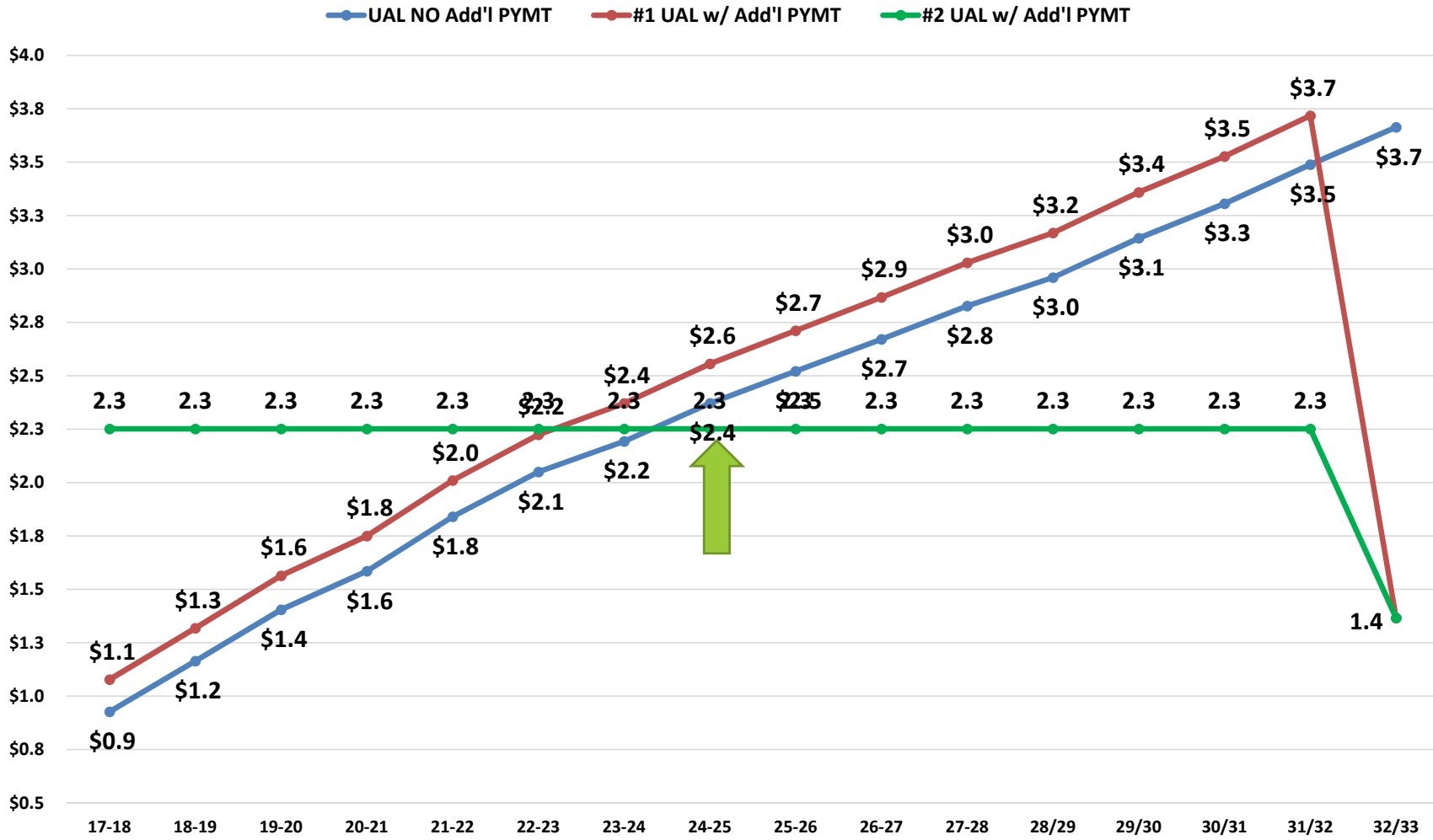




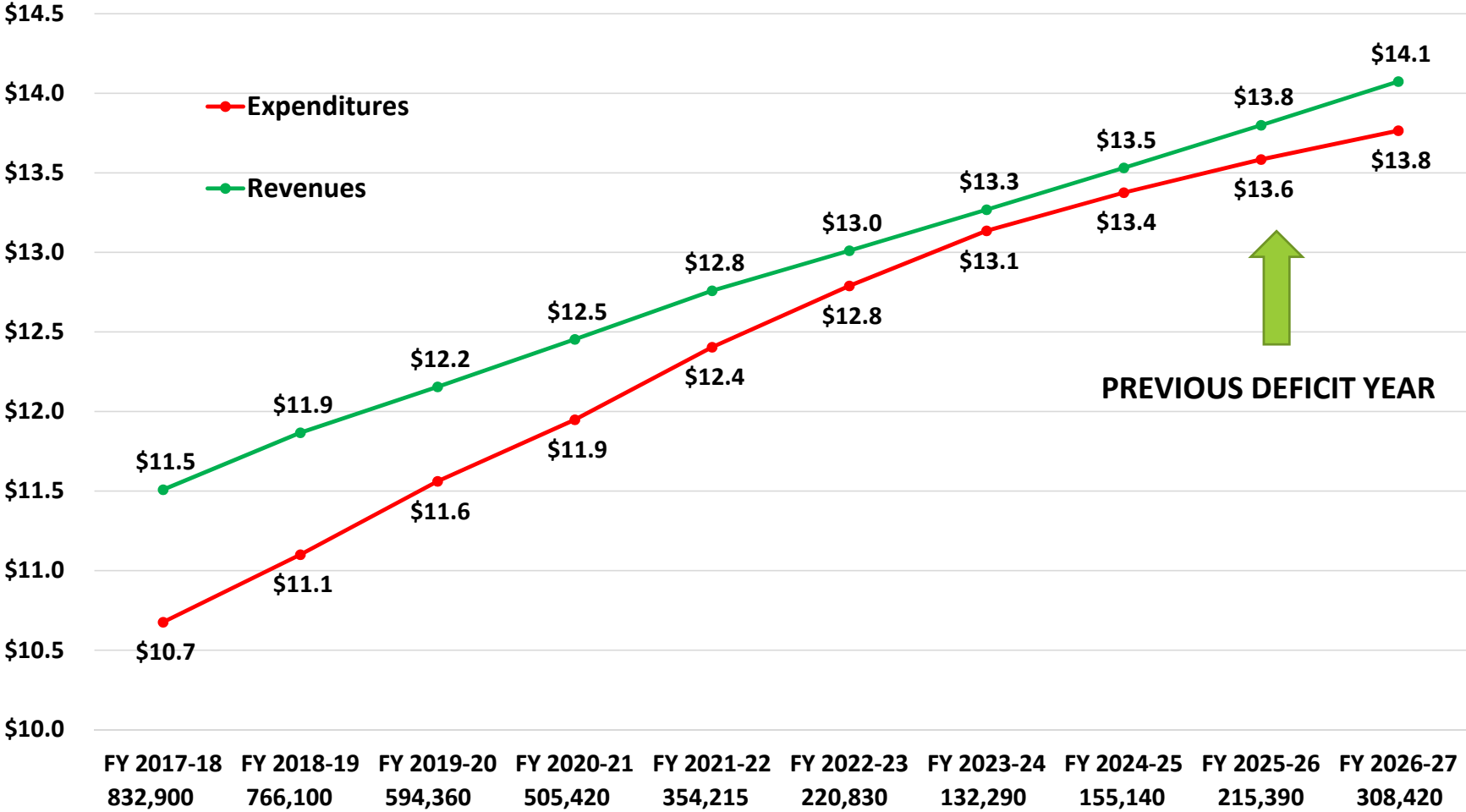
Paying Down the Unfunded Liability

- **Additional payments over a specific time period to reach 90% funded status?**
 - Gradual build up of payments
 - Flat amount
- **Lump Sum Payment Upfront**

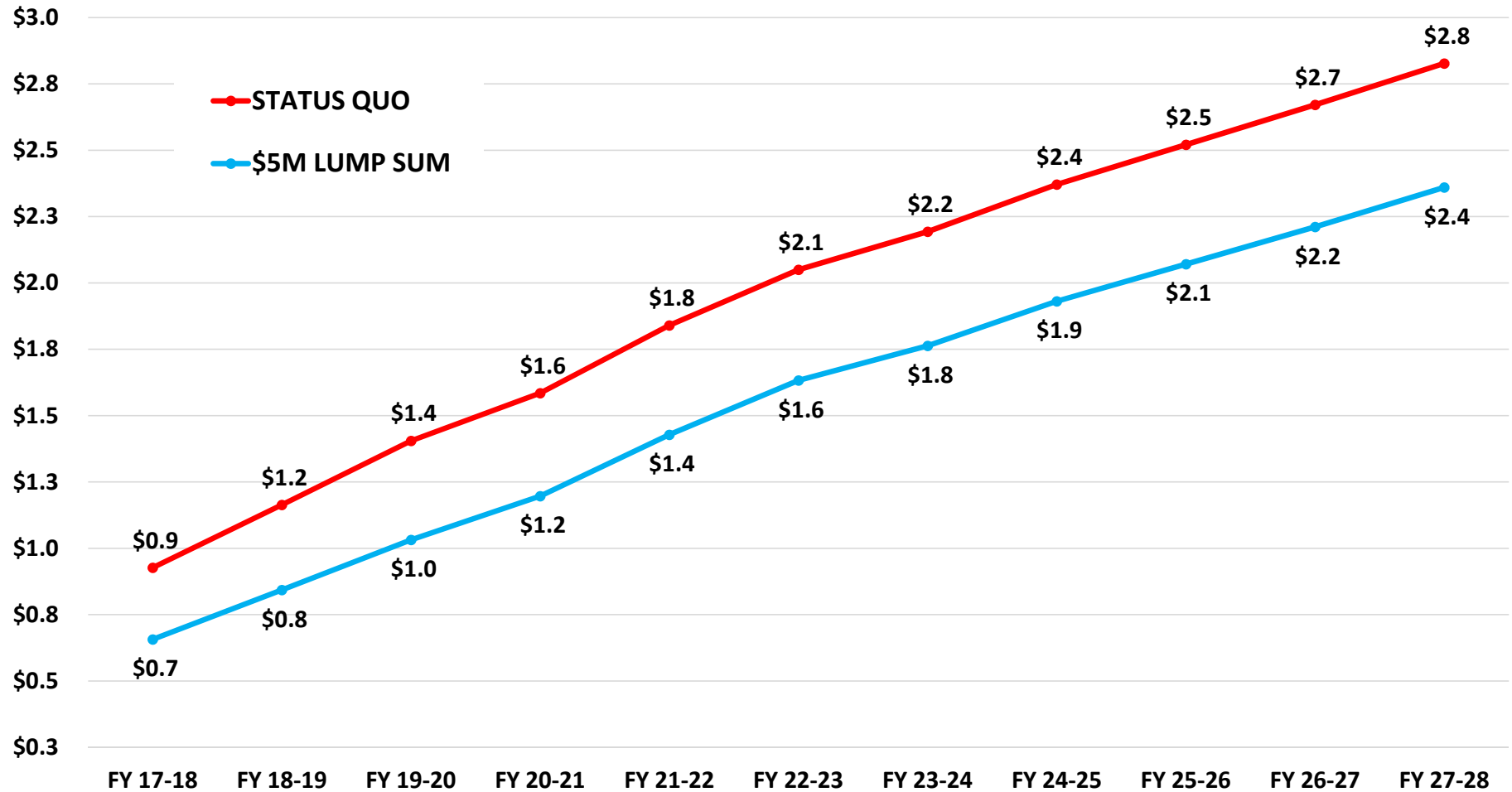
Target 90% Funded in 15 Years



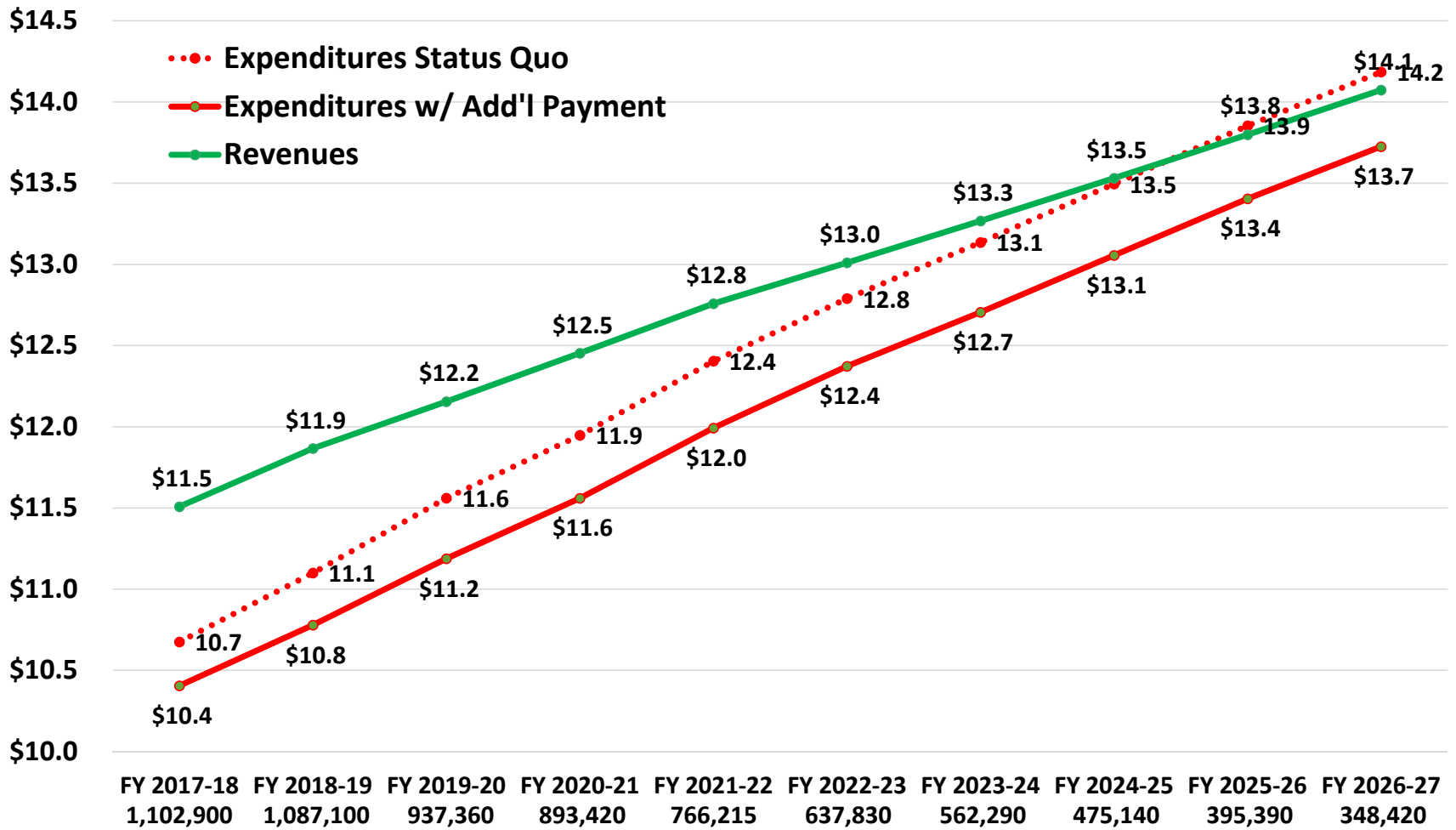
LONG TERM FORECAST WITH ADDITIONAL UAL PAYMENTS



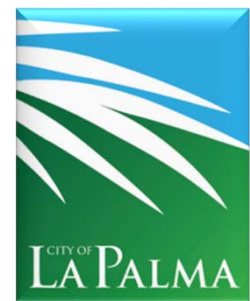
ONE TIME LUMP SUM PAYMENT (\$5 MILLION) Projected UAL Payments



LONG TERM FORCAST WITH ONE TIME LUMP SUM PAYMENT (\$5 MILLION)



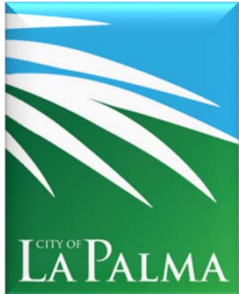
Other Fund Balances





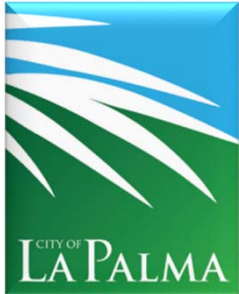
Estimated General Fund Balance at FY 2016-17 Year End

Beginning Balance as of July 1, 2016	\$ 11,508,271
Est. GF Revenues/Transfers-in through June 30, 2017	10,220,920
Est. GF Expenditures/Transfers-out through June 30, 2017	<u>(10,205,275)</u>
Est. Ending Balance as of June 30, 2017	\$ 11,523,916
Increase/(Decrease) in Balance	\$ 15,645



General Fund Balance Breakdown

Emergency Reserve Fund	\$9,000,000
Revenue Volatility Reserve	1,000,000
Cash Float Reserve	250,000
Economic Development Fund	228,814
Unassigned Fund Balance	1,045,102
TOTAL EST. GF BALANCE AT 6/30/2017	\$11,523,916



Financial Policy Updates

Establishment of Civic Center Fund

- **Funds collected over a 20 year period to establish a new Civic Center**
 - **Beginning in FY 2017-18 - \$50K per year ongoing**
 - **Additional funding in FY 2017-18 with some General Fund Unassigned Fund Balance?**



Financial Policy Updates

Technology Replacement Fund

- **Addition of 800MHz increases target balance to \$1.4M from \$580K**
- **Modify target balance to include full replacement value for all technology except 800MHz and add in annual replacement cost of 800MHz over 20 year period**
- **Modified FY 2017-18 target balance - \$621,600**
 - **\$580,600 All Other Technology + \$41,000 800 MHz (\$820K/20yrs)**

Internal Service Funds

FUND	TARGET BALANCE	ESTIMATED 16-17 ENDING FUND BALANCE	OVER/(UNDER) TARGET BALANCE
Risk Management	\$1,000,000	\$653,000	(\$347,000)
Facilities Maintenance	\$50,000	\$52,400	\$2,400
Vehicle Replacement (1/3 Rolling Stock Value)	\$730,000	\$1,124,800	\$394,800
Technology	\$621,600	\$805,000	\$183,400
Employee Benefits (50% of Compensated Absences Balance)	\$223,500	\$298,000	\$74,500

